

Message Text

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E.O. 11652: GDS

TAGS: CASC, EFIN, NI, US

SUBJECT: AIG PRESIDENT GREENBERG'S CALL ON THE SECRETARY

REF: STATE 073545

1. MARCH 27, AMERICAN INTERNATIONAL GROUP (AIG) PRESIDENT GREENBERG, ACCOMPANIED BY KENDALL NOTTINGHAM, REGIONAL MANAGER FOR AFRICA, CALLED ON THE SECRETARY, AT THEIR REQUEST, TO DISCUSS (A) THE COMPANY'S CONTENTION THAT IT HAS BEEN INADEQUATELY COMPENSATED FOR EXPROPRIATED SHARES, AND (B) THE DETENTION OF ITS AMERICAN MANAGING DIRECTOR BY THE NIGERIAN AUTHORITIES.

2. THE SECRETARY BEGAN BY SAYING THAT HE WAS FAMILIAR WITH THE AIG CASE AND THAT HE HAD DISCUSSED IT WITH THE NIGERIANS. GREENBERG REPLIED THAT THE INADEQUACY OF THE
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COMPENSATION PD BY THE NIGERIAN GOVERNMENT FOR 49 PER-
CENT OF THE SHARES OF THE AIG'S NIGERIAN SUBSIDIARY
WAS HIGHLIGHTED BY THE FACT THAT, IN THE YEAR THE GOVERN-
MENT COMPULSORILY ACQUIRED THE SHARES, THE NIGERIAN
GOVERNMENT'S DIVIDEND EXCEEDED BY NEARLY ONE THIRD THE
COMPENSATION IT PAID. GREENBERG THEN REFERRED TO THE
ARREST AND DETENTION OF THE COMPANY'S MANAGING DIRECTOR

(LEFEVRE). HE SAID THE CHARGE, CONSPIRING TO STEAL COMPANY ASSETS, IF TRUE, WOULD CONCERN THE COMPANY EVEN MORE THAN

THE NIGERIAN GOVERNMENT. HE CLAIMED THE ARREST AND THE CHARGE WERE SIMPLY EVIDENCE OF HARRASSMENT OF THE COMPANY BY THE NIGERIAN GOVERNMENT. GREENBERG CONCLUDED THAT HE HOPED THE SUBJECT WOULD BE RAISED WITH THE NIGERIANS IN THE COURSE OF THE PRESIDENT'S VISIT.

3. THE SECRETARY SAID THAT HE WOULD DISCUSS BOTH ISSUES, THE DETENTION OF LEFEVRE AND THE NIGERIAN GOVERNMENT'S ACQUISITION OF THE COMPANY'S SHARES, WITH THE COMMISSIONER FOR EXTERNAL AFFAIRS. IN THE MEANTIME, HE SAID, THE EMBASSY IN LAGOS WILL CONTINUE TO BRING PRESSURE ON THE NIGERIAN AUTHORITIES TO SECURE THE RELEASE OF LEFEVRE. THE SECRETARY NOTED THAT UNDER SECRETARY COOPER HAD DISCUSSED THE ALLEGED EXPROPRIATION WITH NIGERIAN AMBASSADOR JOLAOSO.

4. GREENBERG SAID THAT THE COMPANY HAD HOPED FOR HIGH LEVEL TALKS WITH THE NIGERIANS TO PRESENT A COMPROMISE PROPOSAL, BUT THAT THIS HAD NOT BEEN POSSIBLE TO ARRANGE AS YET. THE SECRETARY ASKED IF THE DETAILS OF THE COMPANY'S PROPOSAL HAD BEEN CONVEYED TO THE NIGERIANS. NOTTINGHAM SAID THAT, TECHNICALLY, NO PRESENTATION OF THESE PROPOSALS HAD BEEN MADE TO THE NIGERIAN GOVERNMENT. CONFIDENTIAL

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5. GREENBERG COMPLAINED THAT TO DATE MEETINGS BETWEEN THE COMPANY AND THE GOVERNMENT HAD BEEN AT TOO LOW A LEVEL. HE NOTED HIS OWN WILLINGNESS TO GO TO LAGOS. HE SUMMARIZED THE COMPANY'S HISTORY, AND EMPHASIZED THE IMPORTANCE OF A SATISFACTORY RESOLUTION OF THIS CASE IN ORDER TO PROTECT THE COMPANY'S OPERATION IN 130 OTHER COUNTRIES. GREENBERG SAID THAT IF AIG "GIVES IN" IN NIGERIA, IT WILL BE WIDELY KNOWN VERY SOON. AT THE END OF THE MEETING GREENBERG GAVE THE SECRETARY A LETTER AND AN AIDE MEMOIRE SUMMARIZING THE COMPANY'S POSITION. THE SECRETARY AGAIN AGREED TO RAISE BOTH MATTERS WHEN HE VISITS LAGOS.

6. THIS MEETING WAS FOLLOWED BY A BRIEF CALL ON THE COUNSELOR BY GREENBERG AND SHELPS, AIG VICE PRESIDENT. GREENBERG QUICKLY REVIEWED HIS MEETING WITH THE SECRETARY AND CONCLUDED THAT THE SECRETARY HAD SAID HE WOULD RAISE BOTH ISSUES IN LAGOS, WHICH PLEASED THE COMPANY.

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